VZCZCXYZ0000 PP RUEHWEB

DE RUEHTV #0114/01 0141242 ZNR UUUUU ZZH P 141242Z JAN 08 FM AMEMBASSY TEL AVIV TO RUEHC/SECSTATE WASHDC PRIORITY 4976 RHEHAAA/WHITE HOUSE WASHDC PRIORITY RHEHNSC/WHITE HOUSE NSC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RUEAHQA/HQ USAF WASHINGTON DC PRIORITY RUEADWD/DA WASHDC PRIORITY RHMFIUU/CNO WASHINGTON DC PRIORITY RHEFDIA/DIA WASHINGTON DC PRIORITY RUEKJCS/JOINT STAFF WASHDC PRIORITY RUEHAD/AMEMBASSY ABU DHABI PRIORITY 3255 RUEHAS/AMEMBASSY ALGIERS PRIORITY 9914 RUEHAM/AMEMBASSY AMMAN PRIORITY 3459 RUEHAK/AMEMBASSY ANKARA PRIORITY 4022 RUEHLB/AMEMBASSY BEIRUT PRIORITY 3280 RUEHEG/AMEMBASSY CAIRO PRIORITY 1432 RUEHDM/AMEMBASSY DAMASCUS PRIORITY 4016 RUEHLO/AMEMBASSY LONDON PRIORITY 0863 RUEHFR/AMEMBASSY PARIS PRIORITY 1337 RUEHRB/AMEMBASSY RABAT PRIORITY 7897 RUEHRO/AMEMBASSY ROME PRIORITY 5369 RUEHRH/AMEMBASSY RIYADH PRIORITY 0281 RUEHTU/AMEMBASSY TUNIS PRIORITY 4409 RUCNDT/USMISSION USUN NEW YORK PRIORITY 6353 RUEHJM/AMCONSUL JERUSALEM PRIORITY 8827 RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 000114

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XOXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

SIPDIS

E.O. 12958: N/A TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

Leading media reported that PM Ehud Olmert and Defense Minister Ehud Barak are at loggerheads over the evacuation of West Bank outposts. Ha'aretz reported that sources close to Barak told the newspaper

that Barak has reached an agreement with leaders of the settlement movement for the peaceful evacuation of 18 outposts in the West Bank. The sources warned that PM Olmert's "rash" intention to forcefully uproot an outpost near Ramallah may jeopardize the deal. Olmert himself said Sunday that not evacuating outposts was "disgraceful." Ha'aretz quoted Barak's office as saying that the negotiations with the settler leaders involved 26 outposts which were set up since March 2001. For its part, The Jerusalem Post reported that senior defense officials close to Barak accused Olmert of holding up a detailed plan to remove them.

On Sunday The Jerusalem Post quoted PM Olmert's spokesman Mark Regev as saying on Saturday that Israel and the U.S. are "on the same page regarding the gravity of the Iranian nuclear threat and their commitment to thwart it. On Sunday Maariv reported that President Bush concluded his visit to Israel without receiving any of the information that is known here about IranQs efforts to develop nuclear weapons — because officials in the political echelon and security establishment do not want to appear to be pushing the Americans into military action. Yediot reported that late this month Israel and the U.S. will reassess their joint policy vis-a-vis the Iranian threat and discuss means to intensify sanctions against Iran. The teams will be headed by Transportation Minister Shaul Mofaz and Under Secretary of State for Political Affairs Nicholas Burns.

Ha'aretz reported that ahead of the meeting between PM Ehud Olmert and Vice Premier Avigdor Lieberman on Tuesday, which is meant to clarify Lieberman's threat to leave the coalition if core issues are discussed, sources close to Olmert dismissed any substantive differences between the two. Ha'aretz and The Jerusalem Post reported that PM Olmert renewed efforts to bring United Torah Judaism into his coalition last week as a hedge in case Lieberman should leave. Ha'aretz wrote that Sunday's announcement that Foreign Minister Tzipi Livni and PA chief negotiator Ahmed Qurei would begin talks on the core issues, suggests that Olmert is not impressed by Lieberman's threats.

On Sunday Maariv quoted reliable Palestinian and Egyptian sources close to the negotiations as saying that in the near future, Israel is supposed to carry out a dramatic confidence building measure by freeing a large group of Hamas prisoners "with blood on their hands" in order to move forward the deal to release Gilad Shalit. This group of 80 to 100 prisoners were included on the original list of prisoners that Hamas gave to Israel.

Israel Radio quoted PA Chairman [President] Mahmoud Abbas as saying on Sunday that the Palestinian refugees are only visitors in the Arab countries, and that they should be returned to their homeland.

Major media reported that in a raid in the Gaza Strip -- near the home of Hamas PM Ismail Haniyeh -- on Sunday, IDF troops killed three Palestinians (according to Israel Radio, including a senior Fatah activist and a Popular Resistance Committees militant). Over the weekend media reported that the IAF struck and killed two Hamas militants in the southern Gaza Strip on Saturday.

Ha'aretz quoted Shin Bet chief Yuval Diskin as saying at Sunday's cabinet meeting that Israeli security forces killed 810 Palestinians in the Gaza Strip in 2006 and 2007. He estimated that some 200 of those killed were not clearly linked to terrorist organizations. However, an examination by Ha'aretz reveals that the number of Palestinians killed by Israeli security forces was 816 over those two years, and that of them, 360 were civilians not affiliated with any armed organizations. Internal Security Minister Avi Dichter, also present at the briefing, said that "about 5 percent of the militants in the Gaza Strip have been killed," adding that their number today is estimated at some 20,000. The Jerusalem Post quoted Dichter as saying that the IDF's tactics in Gaza are not working.

Over the weekend The Jerusalem Post reported on a campaign targeted by feminist Jewish activists against the U.S. magazine Ms. after it refused to run an ad featuring influential Israeli women because it was "too controversial."

Over the weekend media quoted Ismail Haniyeh as saying on Friday that President Bush's visit to the region proved his bias toward Israel and hurt Palestinian aspirations for a state of their own.

Ha'aretz quoted Shin Bet chief Yuval Diskin as saying on Sunday during a briefing to the Knesset's Foreign Affairs and Defense Committee that Hamas managed to smuggle \$100 million into the Gaza Strip in recent weeks. He was quoted as saying that the funds were smuggled into the Strip by hundreds of pilgrims returning from the hajj in Mecca.

The Jerusalem Post quoted Israeli defense officials as saying on Sunday that the defense establishment's decision to rescind a decision to limit the supply of industrial diesel to the Gaza Strip is part of a plan to end ties between Israel and the Hamas-run territory. Ha'aretz reported that Israel is considering the proposal of PA Prime Minister Salam Fayyad to transfer control of the crossings into the Gaza Strip to forces loyal to the PA and Fatah.

On Sunday Ha'aretz reported that Palestinian landowners on whose property the West Bank settlement of Homesh was constructed are demanding 40 million shekels (around \$10.5 million) in compensation and the right to access their land. The state is trying to reach an out-of-court settlement to avoid a setting a precedent.

Over the weekend media reported that a satellite photograph of a Syrian site bombed by Israel in September appears to show new construction that resembles the site's former main building.

On Sunday Ha'aretz pointed at Tony Blair's poor achievements six months after entering his post as the Quartet's envoy to the Middle East.

On Sunday Ha'aretz reported that the government is looking for Arabic translators to create an Arabic version of its website.

Leading media reported that Daniel Barenboim, the world-renowned Israeli pianist and conductor, has taken Palestinian citizenship, and quoted him as saying that he believed that his new status could serve a model for peace between the two peoples.

Mideast:

Summary:

Sullillary:

The Director of the Interdisciplinary Center's Global Research in International Affairs Center, columnist Barry Rubin, wrote in the conservative, independent Jerusalem Post: "Bush's new policy may be a big change for him but, after all, he is merely making the same analysis and offering the same terms as his predecessor."

The Jerusalem Post editorialized: "Why would Mahmoud Abbas [the 'right of return'] if even the U.S. will not routinely explain that this demand is not just another negotiating item but a denial of Israel's right to exist?"

Senior Middle East affairs analyst Zvi Bar'el wrote in the independent, left-leaning Ha'aretz: "How is it that the Arab states have still not recognized the existence of Israeli supporters of peace? Where is their Arab partner?"

Senior columnist Haggai Huberman wrote on page one of the nationalist, Orthodox Makor Rishon-Hatzofe: "The vision outlined by the American President does not conform to the vision of the Arab world: a Middle East without a Jewish state."

Veteran journalist Hemmi Shalev wrote in the independent Israel Hayom: "It seems that the true goal of Bush's current visit to the Middle East was an attempt to minimize the terrible damage that was caused by the American intelligence estimate, which stipulated that Iran had stopped its nuclear program."

Columnist and former Meretz Party Chairman Yossi Sarid wrote in Ha'aretz: "Anyone who is elected in America will maintain the friendship with Israel and treat it as an ally. But it would be a welcome change for the friendship not to be a blind one, and for the alliance not to lead to a mishap."

1. "Here We Go Round the Mulberry Bush"

The Director of the Interdisciplinary Center's Global Research in International Affairs Center, columnist Barry Rubin, wrote in the conservative, independent Jerusalem Post $(1/\overline{14})$: "Hundreds, perhaps thousands, of articles have been written on President George Bush's visit to the Middle East and the Israeli-Palestinian issue. And not a single one that I've seen has mentioned the ridiculously obvious point that goes so far in explaining everything. To paraphrase the nursery rhyme, Bush is merely taking us around the mulberry bush once more. Namely, this is an exact replay of Bill Clinton's presidency.... Bush's new policy may be a big change for him but, after all, he is merely making the same analysis and offering the same terms as his predecessor. It was an understanding of what went wrong with Clinton's thinking and his generous bid -- in part taught them by Clinton itself -- that explains the Bush administration's lower level of effort for most of its time in office. What does Arafat's situation and behavior tell us about those of his successors today? In all but a single respect -- and that one only apparently -- things are worse today.... The apparent improvement regarding PA leader Mahmoud Abbas is that he is more willing to make peace. Yet this is more than counterbalanced by his extraordinary weakness. Not only has Hamas seized control of the Gaza Strip, Abbas also does not have control over Fatah itself. If anything, Palestinian attitudes, where they count in terms of public politics and not merely personal opinions, are even more extreme.... Of course nothing will happen. But the real question is: Will anything be learned?"

II. "10 Essential Words"

The Jerusalem Post editorialized (1/13): "'The agreement must establish Palestine as a homeland for the Palestinian people, just as Israel is a homeland for the Jewish people.'- US President George 1W. Bush, January 10.... The significance of Bush's 10 critical words, uttered in Jerusalem on Thursday night as the President declared his confidence that a peace treaty could be signed before the end of his term in January 2009, may be that he has realized that it is not enough for the U.S. to leave the 'right of return' as a final-status issue. This demand, he was making plain, must be taken off the table now, because it stands in fundamental contradiction to the entire two-state concept. The more clearly and forcefully Bush repeats these 10 words, the better the chances that the agreement in whose achievement he professes such confidence will indeed be reached. This is so because no Palestinian leader can reach agreement with Israel without preparing his people and the Arab world for abandoning the demand of 'return.' And why would Mahmoud Abbas do that if even the U.S. will not routinely explain that this demand is not just another negotiating item but a denial of Israel's right to exist?"

III. "The Arabs Should Stop Whining"

Senior Middle East affairs analyst Zvi Bar'el wrote in the independent, left-leaning Ha'aretz (1/14): "It is toward Saudi Arabia that the Egyptian intellectual and researcher, Mamoun Fandy, directed his incisive article: 'The Cards are in the Hands of the Arabs.' The article appeared in the daily Ash-Sharq Al-Awsat, which is controlled by a Saudi prince who rules a large media empire in the Middle East. If the ties between Saudi Arabia and the United States are so close and warm, why are the Arabs unable to take advantage of this to further their interests, Fandy asks. Why does Israel succeed in promoting its narrative, arguing that it is alone in its desire for peace, while the Arabs want war?.... [Israeli] supporters [of peace] need to rally to Fandy's call and his criticism of the Arabs -- because those favoring peace sorely need an Arab partner, a king or a president, who will make the desired dramatic move. One could ask them to consider another question in this regard: How is it that the Arab states have still not recognized the existence of Israeli supporters of peace? Where is their Arab partner?"

IV. "The Bush Vision Contradicts the Arab Vision"

Senior columnist Haggai Huberman wrote on page one of the

nationalist, Orthodox Makor Rishon-Hatzofe (1/13): "The President of the United States left Israel on Friday, leaving in his wake a dazzling 'vision' that is to be implemented within a single year: the establishment of an independent Palestinian state alongside Israel. But the vision outlined by the American President does not conform to the vision of the Arab world: a Middle East without a Jewish state. The American President's visit should be considered to be one of the Palestinians' greatest successes in the past number of years. The American President left them a slew of gifts, such as a demand to end the Israeli 'occupation,' a Palestinian state based on the 1967 lines with a capital in Jerusalem. Bush underscored that he was talking about a state with territorial contiquity. Bush used Palestinian rhetoric for first time when he spoke about the 'right of return' instead of the refugee problem. But after all that, the Palestinians and the Arab world are furious with Bush because he spoke about a 'Jewish state.' We would do well were we to listen to what they say. Ambassador Mohammed Sabih, who is responsible for the Palestinian issue in the Arab League, said on Thursday that Bush's statements contradicted the United States human rights policy."

¶V. "Bush and Out"

Veteran journalist Hemmi Shalev wrote in the independent Israel Hayom (1/13): "Aside from bolstering Ehud OlmertQs political standing -- an effort that Bush made in the course of a dinner at the Prime Minister's Residence last week with the delicacy and tact becoming of a Texas rancher -- it seems that the true goal of Bush's current visit to the Middle East was an attempt to minimize the terrible damage that was caused by the American intelligence estimate, which stipulated that Iran had stopped its nuclear program. That document cast the United States as an unreliable crutch that would never attack Iran. Ever since, the Arabs, first and foremost Egypt, have been fawning on Tehran in hope of appeasing it "

VI. "Nice Things in America, Which Would Do Us Well"

Columnist and former Meretz Party Chairman Yossi Sarid wrote in Ha'aretz (1/13): "It is not yet clear whether Obama's candidacy will come to full fruition, even though it has already produced early fruits. But the alarm bells are already ringing in Jerusalem: 'Israel is worried about Obama.' The media reports: 'Senior government officials in Israel fear his meteoric rise.' And the main reasons for this concern, it is reported, are Obama's support for dialogue with Iran and his weak connections with the Jewish lobby in Washington. Don't worry. Anyone who is elected in America will maintain the friendship with Israel and treat it as an ally. But it would be a welcome change for the friendship not to be a blind one, and for the alliance not to lead to a mishap. It is worthwhile conducting talks with Iran, just as much as it is worthwhile conducting talks with Syria, just as it was worthwhile talking with Libya and North Korea. And it is not worthwhile dancing like a trained bear on every issue according to the tune of the American Israel Public Affairs Committee (AIPAC) or the evangelical pastors."

JONES